

**UNREGULATED UTILITY
POWER COST EQUALIZATION MEMORANDUM**

Date: August 18, 2021
Filing Due Date: May 30, 2021
Date Filed and Review Requested: May 28, 2021
Review Deadline: July 12, 2021¹
Extension Date: August 15, 2021²

File No.: PC91-0521A

Name of Utility: Kotzebue Electric Assn., Inc. Cert. No. 17

☒ Annual Update ☐ COPA Update
☐ Fuel Price Change ☐ Non-Fuel Cost Change
☐ Rate Change ☐ KWh Sales Change

STAFF RECOMMENDS: Approval of updated **Permanent** PCE Amount (see attached memo)

PCE AMOUNT SUMMARY	Previously Approved	Staff Recommended
PCE AMOUNTS (In Cents/kWh)	August 6, 2021	August 6, 2021
Residential	0.00¢	13.68¢
COMMUNITY FACILITIES		
Small Community	0.00¢	13.68¢
Large Power	0.00¢	13.68¢
Street Lights First 63 kWh	0.00¢	13.68¢

Signed: Brenda Cox *Brenda Cox* Utility Financial Analyst

Commission decision re. this recommendation:

	Date (if different from 8/18/21)	I Concur	I Do Not Concur	I Will Write A Dissenting Statement *
Pickett	_____	<u><i>RMP</i></u>	_____	_____
Kurber	_____	<u><i>KIL</i></u>	_____	_____
Scott	_____	<u><i>AGS</i></u>	_____	_____
Sullivan	_____	<u><i>DS</i></u>	_____	_____
Wilson	_____	_____	<u><i>Julu</i></u>	_____

¹ Typically, there is no deadline for review of Power Cost Equalization (PCE) annual report. However, a utility may request the review of an annual report (3 AAC 52.640(c)(2)) and the request triggers a 45-day review period (3 AAC 52.650(a)).

² On July 12, 2021, KOTZEBUE agreed to extend the review deadline to August 15, 2021.

Special Instructions to Staff:

* If this column is initialed, Staff will contact the Commissioner for the statement. Otherwise the dissent will simply be noted at the close of the By Direction Letter or Order.

KOTZEBUE ELECTRIC ASSOCIATION, INC.

POWER COST EQUALIZATION CALCULATION
FOR PERIOD ENDING DECEMBER 31, 2020
Annual Update

		PC91-0521	PC91-0521A	
		Prior Commission Approval	Per Utility Filing	Staff Recommended
A.	Eligible Costs/kWh (Appendix 2)	\$0.3430	\$0.3443	\$0.3443
B.	Eligible Cost/kWh (A) less base rate in effect	\$0.1427	\$0.1440	\$0.1440
C.	Lesser of (B) or 79.97 cents/kWh	\$0.1427	\$0.1440	\$0.1440
D.	Average Class Rates			
	NON COMMUNITY FACILITIES			
	Residential	\$0.1602	\$0.1602	\$0.1602
	COMMUNITY FACILITIES			
	Small Comm/Pub Blgs	\$0.1771	\$0.1771	\$0.1771
	LP-Lg.Power	\$0.2628	\$0.2628	\$0.2628
	Street Lights			
	First 63 kWh	\$0.2296	\$0.2296	\$0.2296
		Class Power Cost Equalization Per kWh Payable		
E.	Lesser of: (C) x 95% or (D)			
	NON COMMUNITY FACILITIES			
	Residential	\$0.1355	\$0.1368	\$0.1368
	COMMUNITY FACILITIES			
	Small Comm/Pub.Blgs.	\$0.1355	\$0.1368	\$0.1368
	LP-Lg.Power	\$0.1355	\$0.1368	\$0.1368
	Street Lights			
	First 63 kWh	\$0.1355	\$0.1368	\$0.1368
F.	Funding Level in Effect	0%*	100%	100%
	NON COMMUNITY FACILITIES			
	Residential	\$0.0000	\$0.1368	\$0.1368
	COMMUNITY FACILITIES			
	Small Comm/Pub.Blgs.	\$0.0000	\$0.1368	\$0.1368
	LP-Lg.Power	\$0.0000	\$0.1368	\$0.1368
	Street Lights First 63 kWh	\$0.0000	\$0.1368	\$0.1368

Order U-21-019(5) vacates Order U-21-019(3) and Order U-21-019(4) which made the PCE amount 00.00

KOTZEBUE ELECTRIC ASSOCIATION, INC.

SCHEDULE OF ELIGIBLE POWER COSTS, SALES, AND EFFICIENCY
FOR PERIOD ENDING DECEMBER 31, 2020
Annual Update

	PC91-0521	PC91-0521A	
	Prior Commission Approval	Per Utility Filing	Staff Recommended
Non-Fuel Costs:			
A. Generation Expense	1,562,025	1,562,025	1,562,025
B. Distribution Expense	325,604	325,604	325,604
C. General & Administrative	1,323,949	1,323,949	1,323,949
D. Depreciation	980,856	980,856	980,856
E. Interest Expense	237,974	237,974	237,974
F. Other (Describe)	9,297	9,297	9,297
G. Other Revenues: GCI Pole Rentals, Wind Power Sales	(110,830)	(110,830)	(110,830)
H. Total Non-Fuel Costs	\$4,328,876	\$4,328,876	\$4,328,876
I. Total kWh Sold in Test Year January through December 2020	19,724,903	19,724,903	19,724,903
J. Non-Fuel Cost/kWh (H / I)	\$0.2195	\$0.2195	\$0.2195
COPA Fuel Costs:			
K. Gallons Consumed	1,218,008	1,218,008	1,218,008
L. Price of Fuel:(per gal)	2.0515	2.0515	2.0515
M. Balancing Account	(167,106)	(167,106)	(167,106)
N. Total Cost of Fuel (K * L) + M	\$2,331,637	\$2,331,637	\$2,331,637
O. Total kWh Sold in Last 12 Months October 2019 through September 2020	18,678,916	18,678,916	18,678,916
P. Fuel Costs/kWh - COPA	\$0.1248	\$0.1248	\$0.1248
Q. Eligible Costs/kWh (Appendix 1)	\$0.3443	\$0.3443	\$0.3443
R. kWh Generated in test year	21,232,490	21,232,490	21,232,490
S. Wind Generation in test year	3,754,396	3,754,396	3,754,396
T. Diesel Generation in test year	17,478,094	17,478,094	17,478,094
U. kWh Station Service	521,214	521,214	521,214
V. Fuel Efficiency (T/1,229,776) ≥13.5 FY20 Test year Consumption 1,229,776	14.21	14.21	14.21
W. Line Loss ≤12%	4.65%	4.65%	4.65%
(kWh Generated - (kWh Sold + kWh Station Service))/kWh Generated			

KOTZEBUE ELECTRIC ASSOCIATION, INC.

CALCULATION OF AVERAGE CLASS RATE PER kWh

Surcharge: 0.1248

Rate Schedule: Residential

Customer Charge (CC): \$15.00

(1) Block (by kWh)	(2) Rate (\$/kWh)	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)+CC	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - \$ 0.2003
0 to 500	0.2057	0.1248	0.3305	180.25	0.3605	0.1602
to						
to						
to						
Max 500			Total	180.2500	0.3605	0.1602

CALCULATION OF COMMUNITY FACILITY AVERAGE RATE PER kWh

Customer Charge (CC): \$25.00

Rate Schedule: Small Commercial / Public Buildings

(1) Block	(2) Rate/ kWh	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)+CC/500	(6) Average Rate(\$/kWh)- \$ 0.2003
0 to ∞	0.2026	0.1248	0.3774	0.1771

Rate Schedule: Large Power Service

Customer Charge (CC): \$75.00

(1) Block	(2) Rate/ kWh	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)+CC/500	(6) Average Rate(\$/kWh)- \$ 0.2003
0 to ∞	0.1883	0.1248	0.4631	0.2628

Rate Schedule: Street Lights

(1) Block	(2) Rate/ kWh	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(6) Average Rate(\$/kWh)- \$ 0.2003
0 to 63	0.3051	0.1248	0.4299	0.2296
to				
to				
to				

Signature: 

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Appendix 3

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Signature: 
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